



EmployeeUPDATE

Our Mission: To serve the people of North Carolina by enabling individuals, families and communities to be healthy and secure, and to achieve social and economic well-being.

A monthly publication for employees of the North Carolina Department of Health and Human Services

DHHS Success Stories

January 2001 - January 2005





Carmen Hooker Odom sworn in as DHHS Secretary, February 9, 2001

“We are in a period of great challenge. The budget situation is serious and we must have the strength to have restraint, yet the vision to be creative. We at the Department will do our part to respond to our budget demands. Let these comments serve to put everyone on notice that we will have to say ‘no’ to many things. But let these comments also serve notice that we embrace this time of challenge to be creative and find new ways of doing things.

While we face daunting challenges, let us always remember why we have dedicated ourselves to health and human services. When I was first elected to public office, my dear mother gave me a plaque with a quote from Hubert Humphrey:

‘It was once said that the moral test of government is how that government treats those who are in the dawn of life, the children; those who are in the twilight of life, the elderly; and those who are in the shadows of life, the sick the needy and the infirmed.’ ”

Comments by Carmen Hooker Odom
Swearing-In Ceremony
February 9, 2001



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Michael F. Easley, Governor

Carmen Hooker Odom, Secretary

December 13, 2004

Dear Colleague,

What an honor it has been to work with you these past four years. In my entire professional life, I have never been associated with a finer group of colleagues whose dedication to public service is unparalleled. Your hard work, your integrity, your compassion, and your grit are all attributes that, combined, provide a shining example of how to serve others.

These have indeed been difficult times, but I know, deep in my heart, that through your leadership, we have met this moral test of government. We have added with full and vibrant brush strokes to Governor Easley's vision of One North Carolina, One Family.

Beyond words, I thank you.

A handwritten signature in black ink that reads "Carmen Hooker Odom".



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Investment in the future – protecting and nurturing North Carolinians.

Helping Children

- ◆ Expanded and fully funded N.C. Health Choice for Children, which provides low cost/no cost health insurance for the children of North Carolina's working families. More than 115,000 children are now enrolled in the program, receiving the preventative care they need to ensure they grow up to be healthy and productive North Carolinians.
- ◆ Implemented Governor Easley's *More at Four* early childhood education program, which is now available in all 100 counties. More than 12,000 children are enrolled in this program. An external evaluation of the *More at Four* program showed that children made significant gains after attending the program.
- ◆ Prepared children to succeed in school by improving child care. Since January 2001, the percentage of children enrolled in child care programs with three to five star ratings has increased from 48 to almost 75 percent. A recent evaluation found that the quality of child care in North Carolina has significantly increased, resulting in better cognitive, language, and social skills for children entering school. The rated license has been a critical driver of this improvement.



Gov. Mike Easley and Secretary Carmen Hooker Odom, surrounded by N.C. Health Choice families.

- ◆ Reformed the child welfare system. Family Support and Child Welfare Services has embraced total system reform – from structured intake, structured decision-making, family-centered practice, and multiple response. This approach has won converts from social workers as well as praise from experts.



"When I look into that little boy's eyes, I don't see my adopted son, I see my son," Carla Parrish, adoptive parent, Thomasville.

- ◆ Increased the number of school nurses in North Carolina schools, with 145 additional school nurses added across the state during the 2004-05 school year. These nurses are part of a five-year plan to provide the State Board of Education's recommended 1:750 nurse to student ratio in all school systems.
- ◆ Recorded the lowest infant mortality rate in state history. The 2003 infant mortality rate was 8.2 deaths per 1,000 live births, down from 8.5 in 2001, a decrease of 3.5 percent.
- ◆ Recorded the lowest teen pregnancy rate in state history. The 2002 teen pregnancy rate was 64.1 pregnancies per 1,000 girls, down from 69.3 in 2001, a decrease of 7.5 percent.

- ◆ Ranked as one of the top three states in the nation with the highest childhood immunization rates.
- ◆ Improved child care safety. Ensured that children in child care sleep safely on their backs to reduce the rate of Sudden Infant Death Syndrome (SIDS) and requiring infant caregivers to be trained in safe sleep practices for children. Strengthened the penalty for operating an illegal child care; it is now a felony to operate an illegal child care. Established criminal penalties for the unauthorized administration of medicine to children in child care.
- ◆ Worked to move children to permanent homes. The Division of Social Services received Adoption Incentive Awards from the U.S. Department of Health and Human Services in 2002 and 2003. The \$1.6 million award recognized the state for exceeding goals in placing foster children who need adoption into permanent homes.

Helping Seniors

- ◆ Implemented the N.C. Senior Care program which provides prescription drug assistance to low-income North Carolinians over 65. The program, which has one of the richest benefits in the country, covers 90 percent of the cost of most prescription drugs.
- ◆ Implemented the Medicaid State-County Special Assistance in-home option to support individuals who would otherwise face placement in adult care homes. This program helps Medicaid-eligible seniors stay in their homes, close to family, friends, and their community.
- ◆ Created and expanded Project CARE (Caregiver Alternatives to Running on Empty) to give caregivers of Alzheimer's disease patients respite and other supportive services. The project was recently recognized by the Duke Endowment as a "geriatric best practice."
- ◆ Recognized as a pioneer in services to people with Alzheimer's disease. In 2004, North Carolina was formally recognized as one of the four pioneer states within the AOA Alzheimer's Disease Demonstration Grants to States (ADDGS) Program (1993-present). The recognition was for "outstanding service to persons with Alzheimer's disease, their families and their caregivers."
- ◆ Established Project SAFE (Strategic Alliances for Elders). Project SAFE empowers families by educating them about safety and care issues in adult care homes and nursing homes.
- ◆ Worked to improve care in nursing homes. The Division of Facility Services' Licensure and Certification Section won the Association for Health Facility Survey Agencies' Best Practice Award in 2003 for a program developed to train and assist nursing homes in fall and injury prevention. In spring 2004, the Division of Facility Services' Licensure and Certification Section awarded 15 nursing homes with grants, funded by fines levied against other nursing homes in North Carolina, to improve the quality of care and the quality of life for residents in their homes. Grants will be used to expand staff training and to introduce garden areas, pets and other culture-changing improvements in the facilities.



Gov. Mike Easley gets a hug – the perfect endorsement for his Senior Care drug reimbursement program.

- ◆ Improved training for long-term care aides. Developed a training program that covers things like communication, team work and skills for assisting people in long-term care. Successful graduates of this program receive a bonus. They receive raises in the workplace, and the homes that employ them are eligible for incentive pay.
- ◆ Improved medication administration in long-term care facilities. A training and testing program has resulted in fewer errors. In 2000, the medication error rate was 19 percent. Today it is just 9 percent.

Helping People with Disabilities

- ◆ Moved forward with the first comprehensive reform of North Carolina's mental health, developmental disabilities and substance abuse services system in the past 30 years. This reform plan will ensure that tax dollars are well spent on the patients who most need care.
- ◆ Increased funding for communications for people who are deaf or hard-of-hearing. Pushed for the passage of Senate Bill 939, which levies a surcharge on cell phones like the existing surcharge on land lines, to cover the cost of communications for people who are deaf and hard of hearing.
- ◆ Improved education for children attending the state's schools for deaf and blind. The Western North Carolina School for the Deaf and the Eastern North Carolina School for the Deaf met or exceeded expected growth in the N.C. ABC program in 2002-03 and 2003-04, while the Governor Morehead School for the Blind exceeded growth in the ABC program in 2002-03 and met growth in 2003-04. The Western North Carolina School also was unique in having a population of 100 percent exceptional children and meeting the 2003-2004 Adequate Yearly Progress goals set by the No Child Left Behind mandates.
- ◆ Increased consumer participation in the mental health, developmental disabilities and substance abuse services system. Created a division-level Advocacy and Customer Services Section. This section, which is headed by a consumer, provides consumer help, rights protections, and consumer empowerment.
- ◆ Improved care in state psychiatric hospitals. Through realignment of existing staff and other resources, all four state hospitals have implemented state-of-the-art treatment delivery systems to provide patients with 20 or more hours of individualized treatment services per week. These enhanced services are delivered through "treatment malls" that incorporate psycho-educational and psychotherapeutic groups designed to meet the individual needs of the patients attending the daily activities. As a reflection of the quality of patient care and treatment delivered, all four state hospitals recently received very favorable re-accreditation surveys by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO).



Children at Eastern N.C. School for the Deaf celebrate ABC's success.

- ◆ Provided an alternative to institutionalization, where possible. This program has provided services to 6,830 disabled people in the 2003-2004 fiscal year; of these approximately 394 persons were provided with consumer-directed personal attendant care services. These attendants are hired and paid by the client, and reimbursed by the program. Attendants provide daily services for their employer, which allows them to remain in the community.
- ◆ Improved functioning in one's family, home and/or community. With funds provided by the program, people with disabilities can apply to have their vehicles modified to accommodate wheelchairs and any other devices that are deemed appropriate. The program also provides these people with other durable medical equipment, assistive devices, rehabilitation technology/engineering, and recreational therapy. The program partners with the North Carolina Housing Finance office to provide funds to help people with disabilities modify their homes in order to live a more independent and productive life.
- ◆ Organized construction planning and site selection for the new \$110 million state-of-the-art, 451,800-square-foot, 432-bed psychiatric hospital in Butner, which will combine and replace the antiquated Dorothea Dix and John Umstead hospitals. The new hospital is slated to open in 2007.

Helping People Who are Disadvantaged

- ◆ North Carolina's Medicaid program continued to provide top-notch coverage to some of the state's most fragile and poor people – children, pregnant women and people with disabilities. Medicaid provides medical coverage for more than one million North Carolinians every month.
- ◆ The state continues with the statewide expansion of Community Care, bringing better care to patients at a lower cost to taxpayers. Working with the N.C. Foundation for Advanced Health Programs, Community Care is expecting more than 700,000 Medicaid patients to be linked with a primary care provider when expanded statewide. Under Community Care, Medicaid patients receive more consistent and better quality health care, since physicians share industry-recognized "best practices" and better understand the needs of their patients. Community Care also means Medicaid patients have case managers in their own community to help them in disease management and to act as their health advocates. Case management eliminates unnecessary hospital admissions and emergency room visits. Some of the strategies include identifying individuals who suffer from asthma and working with the primary care provider to prevent unnecessary visits to the emergency room, which oftentimes results in a hospital admission. Nationally recognized guidelines are adopted in relation to the disease management initiatives that are being developed and implemented through the Community Care program.
- ◆ Increased efforts to communicate with the Hispanic/Latino community. DHHS is the first state department to have a public information officer who deals only with communication to the Spanish-speaking community. The Office of Citizen Services also has an Information and Referral Specialist totally dedicated to assisting Spanish-speaking callers.



Jalil Isa, DHHS Latino/Hispanic Public Information Officer, participates in nuclear safety drill.

- ◆ Improved access for Latinos. Several divisions – DSS, DMA and DPH – have translated most vital documents commonly used by DHHS clients. Title VI Language Access Plan was approved by the U.S. DHHS Office of Civil Rights (OCR). This plan lays out the framework on how DHHS plans to comply with Title VI of the U.S. Civil Rights Act, which requires agencies receiving federal funding not to discriminate on the basis of language. The OCR was so impressed with our plan that it is now using it as a model plan for other states throughout the Southeast. Staff from across DHHS are working to make the plan reality. As part of this work, DIRM launched the R/E/L (Race/Ethnicity/Language) Project. This will allow for documents to automatically be computer-generated according to a client's particular language preference. It also establishes the groundwork for future benefits: as clients of a certain race/ethnicity increase, a database keeps track of those figures. Once a certain threshold is met, documents can automatically be sent in for translation to accommodate the increased population.
- ◆ Expanded the reach of the Office of Minority Health and Health Disparities. An Americorps grant will be used to place 21 full-time Americorps members in 16 community-based health organizations that work to address health disparities. The Office is also working to address disparities in North Carolina's Indian tribes through the creation of an Indian Health Task Force.
- ◆ Increased and improved access to dental care for poor North Carolinians. The number of Medicaid recipients receiving dental care increased 23 percent from fiscal year 2002-03 to fiscal year 2003-04.
- ◆ Hired the department's first housing coordinator, bringing all housing efforts under one umbrella. This has strengthened our efforts to create housing for people with disabilities and the homeless.
- ◆ DHHS and the Housing Finance Agency partnered to ensure that people with disabilities and the homeless were included in the Low Income Housing Tax Credit (LIHTC) development program, which is the single largest source of affordable rental development in the nation – creating over 2,000 units in North Carolina each year. In 2002 and 2003, substantial bonus points in the competitive application process were made available to LIHTC applicants that targeted 10 percent of the units in their developments to people with disabilities or the homeless. To support this commitment, developers partnered with a local lead agency, which agreed to be the conduit for tenant referrals and to provide, coordinate or act as a referral source for the array of community services, both Medicaid and non-Medicaid funded services, available to assist persons with disabilities to live successfully in the community. The commitment to people with disabilities and the homeless was strengthened this year; now every LIHTC application is required to partner with local human service agencies to make units available to persons with disabilities and/or homeless people. Developers also got bonus points if they agreed to make an additional 5 percent of their units fully accessible.
- ◆ Worked to help North Carolinians who are homeless by hiring the country's first full-time homeless policy specialist who now leads all of the state's efforts on homelessness. Efforts include development of a 10-year plan to end homelessness in North Carolina.
- ◆ DHHS and DOT partnered to improve human service transportation and were awarded for their efforts with a national award. These improvements resulted in 85 community transportation systems that provide service in all N.C. counties.



Dottie Reed, rehabilitation therapist coordinator at the J. Iverson Riddle Developmental Center, and one of the center's therapeutic horses.

- ◆ Enabled an average of 900 low-income families annually to move out of poverty. As a result of the comprehensive case management and other support services provided by the 36 community action agencies receiving funding under the Community Services Block Grant program, an average of 900 families increased their incomes to a level above the federal poverty guidelines annually.
- ◆ Provided overnight shelter to an average of 3,000 homeless individuals per day. The 121 homeless providers funded through the Emergency Shelter Grants Program provided overnight accommodations to a daily average of 2,800 homeless people. The shelter facilities participating in the grant program included traditional overnight shelters, day shelters, domestic violence shelters, transitional shelters, runaway homes, and half-way homes.
- ◆ Reduced energy usage and costs for an average of 3,400 families per year. Annually, through the N. C. Weatherization Assistance Program, the homes of 3,400 elderly people, disabled people or families with children were weatherized as a result of the work of 33 local service providers.

Helping People Lead Healthier Lives

- ◆ Expanded the Treatment Accountability for Safer Communities (TASC) program to all 100 counties. Last year, more than 9,000 drug-addicted offenders were enrolled in this program, which provided them with a comprehensive range of drug treatment services and ensured they remained drug-free through frequent urine testing.
- ◆ Reduced the rate of syphilis. In 1999, the rate was 15.1 cases per 100,000 people; by 2003, that rate had dropped to 4.8 cases per 100,000 people.
- ◆ Introduced a ground-breaking HIV test that catches cases soon after infection, allowing health professionals to begin disease investigation quickly and prevent future infections. North Carolina's work with this new test has received national attention and resulted in a CDC award of \$1.4 million to implement an innovative prevention project on North Carolina college campuses.
- ◆ Eliminated the waiting list the North Carolina Drug Assistance Program (ADAP). The program is now open for new enrollees.
- ◆ Recorded the lowest rate of tobacco use by middle school students. In 2003, just 9.3 percent of middle school students said that they smoked cigarettes compared to 15 percent in 1999.
- ◆ Increased the number of tobacco-free school districts. Just six school districts were tobacco-free in 1999 – today there are 40 tobacco-free school districts.
- ◆ Protecting children's hearing. Worked with the Lowe's Motor Speedway to provide free ear plugs and educational materials for children attending races at the speedway.



North Carolina leads the nation in childhood immunization rates.

Facing Other Challenges

- ◆ Created the Office of Public Health Preparedness and Response (PHP&R) to respond quickly to potential bioterror, or other public health emergency events. Regardless of whether an outbreak is natural or manmade, this office coordinates the state-level public health response.
- ◆ Created seven Public Health Regional Surveillance Teams (PHRST) to respond immediately to any potential public health crisis, including bioterrorism or a chemical attack. Thanks to these teams, all North Carolina communities now have the medical expertise to contend with any public health crisis.
- ◆ Expanded lab capacity to deal with potential bioterrorism events, as well as other public health threats. The N.C. State Laboratory of Public Health has expanded its Raleigh capacity and developed regional bioterrorism laboratory testing in Buncombe, Mecklenburg and Pitt counties.
- ◆ Created the North Carolina Hospital Emergency Surveillance System (NCHESS) to collect and analyze hospital emergency department data on a near real-time basis. This partnership with the North Carolina Hospital Association will significantly improve the state's ability to recognize and respond to acts of bioterror, disease outbreaks and other public health emergencies.
- ◆ Improved communications by establishing the North Carolina Health Alert Network (NCHAN). This secure, Internet-based alerting system provides 24/7 flow of critical health information among North Carolina's state and local health departments, hospital emergency departments, and law enforcement officials.
- ◆ Pushed for a tougher public health law that strengthens North Carolina's public health officials' ability to respond critically and decisively in the face of new and emerging communicable diseases. The Public Health Preparedness and Response law will give state and local health directors the power that they need to ensure that communicable diseases are contained quickly.



The Public Health Command Center responds to SARS.



Secretary Carmen Hooker Odom works with the Office of Citizen Services to respond to citizen questions during Hurricane Isabel.

- ◆ Placed resources in the field to assist with emergency medical needs in the event of a bioterror, chemical, or nuclear attack. Seven Bioterrorism Response Planners have been placed in regions across the state. Seven Mobile State Medical Assistance Team trailers have been outfitted and are being placed at regional sites across the state.
- ◆ Improved efforts to respond to emergencies like hurricanes. The Office of Citizen Services has worked with divisions across the department to provide critical coordination and information sharing prior to, during and after an emergency.

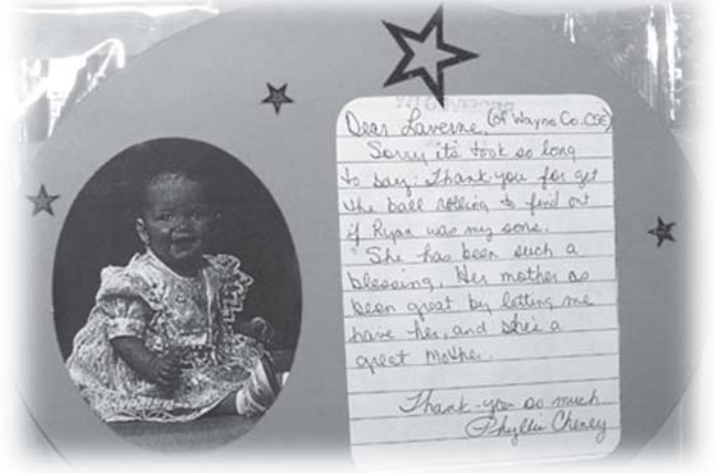
- ◆ Increased efforts to inform the public during public health crises. CARE-LINE has taken on an active role in serving as the public health resource line for various public health concerns such as SARS, flu, E-coli. The CARE-LINE now serves as the first point of contact for residents when a public health concern or outbreak occurs.
- ◆ Protected domestic violence victims. North Carolina was the first state to develop and implement a disaster training plan for domestic violence shelters. Part of this effort was the purchase and delivery of generators to all domestic violence shelter programs in the state. DSS also developed and implemented statewide law enforcement training on domestic violence. North Carolina was one of the first states to address the issue of domestic violence of women over 50 years, expanding from two programs in 2001 to 20 programs in 2004.

Economic Stability and Economic Growth

- ◆ Medicaid services were not cut despite difficult economic conditions. This is important to the economy as well as the people served because Medicaid is a major economic driver in communities across North Carolina. A Families USA study shows that for every \$1 million of state funds, Medicaid generates nearly \$1.23 (million) in new wages. According to that study, in 2001, North Carolina's Medicaid program boosted business activity by \$8.8 billion – the ninth largest boost among all 50 states. The same study also found that North Carolina Medicaid generates more than 100,000 jobs and that \$3.2 billion in wages can be attributed to the Medicaid program.
- ◆ Improved child care across the state. Actions include paying providers more for higher quality child care. That makes North Carolina child care a growth industry, generating \$1.5 billion in direct revenue and employing more than 46,000 North Carolinians.
- ◆ Worked during tough economic times to balance the budget, while continuing to improve services. The Division of Budget and Analysis met target reversion goals established by OSBM for all of the last four years. Funded programs within DHHS that are essential to operations (i.e. DIRM). Developed financial plans for each of the last four years to meet critical operating needs within DHHS and funded these plans from resources within the Department. Worked with DHHS' management team to develop expansion budget requests for each session of the General Assembly, including developing budget reduction options that did the least harm to the department operations and services.
- ◆ Reduced welfare rolls. From January 2001 to June 2004, the Work First caseload dropped from 44,717 to 37,747 statewide.
- ◆ Created a state-supported food stamp customer service call center in Martin County, creating 34 new North Carolina jobs.
- ◆ Increased collection of child support payments by an average of 7 percent in each of the past four years, from \$459 million in fiscal year 2000-01 to \$561 million in fiscal year 2003-04. As a result of its child support efforts, North Carolina received two major national awards. In June 2004, the National Child Support Enforcement Association declared the program to be the "most outstanding in the nation." In September 2004, the U.S. Office of Child Support Enforcement gave North Carolina its Commissioner's Award for Prevention and Early Intervention Best Practices for its efforts to remind custodial parents about payment information, which have decreased delinquent payments

- ◆ Brought e-government to DHHS with www.ncchildsupport.com, giving the public easy access to information services, policies, child support guidelines, payment procedures and other topics. The options to pay and receive child support through electronic funds transfer are now offered to custodians, non-custodial parents and employers. The latest improvement is a new credit card payment option for non-custodial parents.

- ◆ Assisted parents in receiving child support. Custodial parents can now get their child support payments directly deposited into their checking accounts. In addition to saving the state more than \$50,000 each month (because transaction costs are less for direct deposit than for checks), recipients reap the advantages of getting their money quicker, making fewer trips to the bank and less chance of having checks lost or stolen.



Child support enforcement receives a thank you note from a happy grandmother.

- ◆ Assisted parents in paying child support. Non-custodial parents are now able to make child support payments using a credit card or automatic bank drafts. Both methods shorten the time between when a payment is made and when the funds are disbursed, as well as reducing the possibility of lost or misapplied payments.
- ◆ Volunteered to assist people who lost their jobs when Pillowtex closed its doors, eliminating 5,000 jobs. DSS staff – working on their own time – went to Cabarrus County to assist in the effort to find jobs for former Pillowtex employees.
- ◆ Worked to make affordable housing available on surplus state property. DHHS is working with Volunteers of the Carolinas (VOAC) to build and operate Morning Glory Apartments in downtown Butner, which will provide 24 cottage-style apartments for low-income seniors. A network of local supportive service organizations will provide services to the residents.

Budget Restraint, Fiscal Responsibility and Improved Administration

- ◆ Established management initiative to develop and implement performance measures in all 2,000+ contracts managed by the Department, as well as develop performance measures for Departmental programmatic activities. The establishment of performance measures provides a significant management tool, making certain that the goals or desired outcomes from the contracts and programs are clearly identified and actually accomplished. This allows management the opportunity to place greater focus on any contracts and programs that are not meeting expectations, either correcting problems or making the decision to allocate resources in a more effective manner.
- ◆ Developed a program inventory as the initial step toward creating a program management database. The program management database will provide important management information about all programs maintained across the

Department. This database will identify programs in numerous ways including the primary programmatic goals, targeted populations, funding sources, authorization, and eligibility criteria. The information will also include the performance measures in place to determine the success of the program at meeting established goals, providing periodic and continuing information about program success. The program management database is a Web-based system which will ultimately provide access to information and reports to all department and division management, as well as other individuals outside the Department.

- ◆ Created a contracts inventory database, providing the Department with its first ever up-to-date department-wide listing of all contracts developed and executed across all departmental divisions. This contracts inventory system will be integrated with the program management database, allowing the association of contracts with departmental programmatic activities. The contracts inventory allows Department management to quickly develop reports about contracts for specific services, contracts with specific vendors, contract termination dates, etc.. The contracts inventory database provides yet another significant tool in better managing departmental activities.
- ◆ Worked to recover costs due to fraudulent claims against the Medicaid program. Recoveries grew by more than 300 percent, from \$5.9 million in 2001 to \$26.2 million in 2004.
- ◆ Contained the high cost of prescription drugs in the Medicaid program by requiring prior authorization of high-cost drugs that are commonly overused. While these drugs are still available to Medicaid patients, doctors must get prior authorization to prescribe them. This is resulting in significant savings for the state. For instance, Oxycontin, which is used to alleviate extreme pain, has also become a popular and profitable street drug. A single prescription can cost taxpayers \$400 to \$800, so its abuse is costly. Priority authorization has reduced Oxycontin prescriptions by 30 percent and is saving taxpayers \$4 million dollars a year.
- ◆ Recognized as a national leader in the accuracy of issuing food stamps. In July 2003, the U.S. Department of Agriculture awarded North Carolina's food stamp program \$10.1 million in additional funds because it had such a low error rate in issuing food stamps.
- ◆ Established a cost avoidance model for pharmacy claims to ensure that claims are billed first to third-party insurers and to ensure that Medicaid is the payer of last resort.
- ◆ Implemented a Medicaid assessment program for skilled nursing facilities. As mandated by the General Assembly, funds realized from these assessments are being used to draw down federal Medicaid matching funds for implementing a new reimbursement plan for nursing homes and for increasing nursing facility rates.
- ◆ Covered over-the-counter medications for Medicaid recipients. Over the counter (OTC) medications that provide cost-effective treatment options became eligible for reimbursement by the NC Medicaid Program. The decision was based on the analysis of the cost savings or potential cost benefit of coverage of the OTC medication and is also based on the ability of recipients to pay out-of-pocket for relatively expensive OTC drugs.
- ◆ Established major improvements in the control environment of the Disproportionate Share (DSH) program within DMA. Established procedures and policies for the DSH program to ensure staff depth of knowledge,



Deputy Secretary Lanier Cansler is leading the Department's management improvement efforts.

reestablish control of the DSH program within the Division, ensured financial and eligibility data utilized for the DSH program was complete, accurate and up to date.

- ◆ Created the Rate Setting Review Board to coordinate reimbursement rates for providers, ensuring that payments are correct and that available funding is maximized.
- ◆ Strengthened the Division of Information Resource Management (DIRM) so that it can respond quickly and efficiently. 100 percent of the DIRM workforce has been cross-trained. Created a project office to ensure that projects were on time and budget; since creation of the office there have been no failed projects. Implemented a web development team to modernize application development. Created a security office to ensure that the Department is in compliance with HIPAA and other security standards. Created a strategic plan that cut spending by \$32 million.
- ◆ Projects totaling \$71 million funded through the State Capital Facilities Finance Act are under design or construction. Some of the major projects funded include the establishment of a Forensic Unit at Broughton Hospital, the renovation of the Hoey Hall classroom building at Western School for the Deaf, the renovation of the Independent Living Center at the Eastern School for the Deaf, and major patient residential unit upgrades at Caswell Center.
- ◆ Over \$5 million in repairs, renovations, and upgrades are under design or construction at the three regional ADATCs, including a new detox unit at the Julian F. Keith ADATC.
- ◆ Over \$10 million in revenue bond projects to upgrade water and sewer lines in Butner, as well as expansion of the Butner Water Treatment Plant to 7.5 million gallons/day, have just been completed.
- ◆ Completed \$12.5 million upgrade to the Main Building at the Western School for the Deaf
- ◆ Reached out to customers. Established customer service guidelines. Conducted training in customer service. Developed a web site that provides valuable information on good customer service, as well as allowing feedback on customer service. That feedback will be used to improve customer service throughout the department.
- ◆ Improved customer service across the department. For instance, the Division of Vocational Rehabilitation has undertaken an organizational effort that will lead the division toward development of a vision and strategy for adapting the North Carolina Rehabilitation program so that all decision-making is based on customer needs. Their motto is: "When you succeed, we succeed." The entire staff of DVRS is being asked to adopt the attitude of service in relationships with colleagues, partners, and most importantly, customers. Another way to express this concept is "achieving strength through service."



DHHS embraces customer service.

- ◆ Implemented Electronic Updating. The Office of Citizen Services implemented an electronic updating process that took the lead among information and referral providers across the state. By e-mailing program information/descriptions to all agencies/programs/service providers in our database for updating purposes, the updating process has decreased time between updates, allowing for more efficient use of Office of Citizen Services' (OCS) staff time, saving money for OCS, creating a faster turnaround time for updated information and creating more personal contact with agencies. The most important result is that OCS is able to provide more accurate up-to-date information and referrals to residents across North Carolina.
- ◆ Changed the focus of human resources from traditional job analysis to compensation, which improves DHHS position in the labor market. The result is increased compensation for a number of job classifications.
- ◆ Worked to improve the work place for DHHS nurses. Broadened nursing pay options and incentives at 24/7 institution settings with a goal of management flexibility based on local market recruitment and retention conditions. Established the agency's first nurse scholarship program at Cherry Hospital.
- ◆ Promoted e-learning for DHHS employees. Training on a wide variety of issues ranging from workplace violence to the Fair Labor Standards Act is now available online.
- ◆ Continued to receive national recognition for the five-star license for child care programs. North Carolina is the only state to redesign its regulatory system to include quality measures (program standards, staff education, and history of compliance with regulations). The five-star program was one of 15 finalists for the 2004 Harvard University Innovations in Government Award. The U.S. General Accounting Office chose North Carolina as one of the states it visited this year to observe first-hand best practices in child care licensing. Representatives from Arizona, Florida, Tennessee, South Carolina and Kentucky have all visited North Carolina to learn more about the program.
- ◆ Started collecting miscellaneous DHHS receivables via credit cards. The public requested this service and it has been well received.
- ◆ Implemented the Foster Care At-Risk Program. The purpose of this program is to reimburse county departments of social services for room and board costs incurred for foster care children in DSS custody who receive Medicaid-funded residential behavioral mental health treatment services and whose costs are not covered by other foster care funding.
- ◆ Used the web to allow the direct input of claims to expedite payments to vendors and direct input of expenditures to increase timely and accurate reporting by the local health departments. This will result in more efficient use of staff resources as well as more accuracy in data entered and captured.
- ◆ Converted over 10,000 accounts receivable manual records for DSS Child Support and the Public Health State Lab to an automated system and implemented an automated Accounts receivable system for 4,000 Nursing Home Bed assessments and 4,000 Child Care Licensing Operations.
- ◆ Implemented Cost Allocation Plans for the Division of Vocational Rehabilitation and the Division of Medical Assistance. Cost allocation provides a way to maximize the potential to earn federal funds by documenting justifiable cost attributable to various programmatic and administrative costs.

- ◆ Implemented electronic payments (epay) direct to employees and vendors bank accounts. This results in vast savings for the cost of check stock, cost of toner to print checks, cost of envelopes to mail checks, manpower savings of stuffing envelopes, convenience to payee, negates checks being lost in mail, electronic notification of the deposits, and eliminates need for payee to go to the bank for deposits.
- ◆ Implemented electronic payments (direct deposit) for all of the Division of Services for the Blind client subsystem payments and for the attendant care providers in the Division of Vocational Rehabilitation client subsystem. As a result, a faster and more efficient delivery of payments to clients, providers, and vendors has been realized, including savings for the cost of supplies, postage and staff time
- ◆ Implemented the AS400 subsystem in January 2003 for Disability Determination Services which is more efficient in voiding checks, authorizations, 1099 reporting to medical payment providers, and completing the daily transfer/ download process. Implementation of bar codes on Disability Determination Services medical payment invoices allows data entry operators to scan the invoices instead of keying the data resulting in more accurate data and efficient use of staff.
- ◆ Ensured that DHHS was performing well through the work of the Internal Auditor's Office, which performed numerous audits and investigations. Provided technical assistance such as monitoring and contract reviews for Divisions and contractors to prevent future problems. A third significant area is the role of liaison for state and federal audits. Internal Audit reviews the work of other auditors and assists in developing either corrective actions or legally defensible positions. In this latter role, the Internal Auditor was instrumental in developing documentation to avoid over \$60 million dollars in payback to the federal government in one series of federal audits.

DHHS FACTOIDS

Since Jan. 2001:

OCS has responded to 376,250 citizen concerns, on items as diverse as disaster services, Medicaid eligibility, anthrax threats, flu vaccinations, legal aid services and child support enforcement.

More than 350,000 children have been age-appropriately immunized.

5,338 foster children found permanent homes through adoption.

More than four million NC Relay calls have been placed, enabling deaf and hard-of-hearing North Carolinians to communicate by phone.

More than 8,000 deaf and hard-of-hearing North Carolinians have received equipment loans to enable them to communicate.

36,558 North Carolinians with disabilities achieved their employment goals working with the Division of Vocational Rehabilitation.

More than 26,000 North Carolinians received consultation and more than 8,000 were loaned equipment by the NC Assistive Technology Program.

8,598 Independent Living Participants achieved their independent living goals.

693,88 claims for Social Security disability, Supplemental Security Income and Medicaid disability benefits were processed by Disabilities Determination Services.

23,678 consumers were able to maintain a more independent lifestyle through the provision of Adjustment to Blindness Counseling, In-home Aide services and Information and Referral services provided by Social Workers for the Blind.

2,550 blind, visually impaired and deaf-blind consumers entered or retained wage-earning jobs through services provided by vocational rehabilitation counselors at DSB.

12,150 blind, visually impaired and deaf-blind consumers experienced improved vision or lost less vision as a result of eye-related surgery or treatment provided through the Medical Eye Care Program.

4,433 blind, visually impaired and deaf-blind consumers, many age 55 or older, are able to care for themselves and their families as a result of individual and group independent living skills training provided by the Independent Living Rehabilitation staff.